**SLIDE 1**

This is an information session for suppliers of the public sector and will cover how social value will be scored in relevant Services and IT contracts.

**SLIDE 2**

Procurement Policy Note 01/21 was approved by the Executive in July 2021 and has the status of government policy.

The PPN mandates that from 1 June 2022 public sector tenders must allocate a minimum of 10% of the total award criteria to social value in Services and IT contracts where the Procurement Regulations apply.

The PPN highlights the importance of embedding social value throughout the commissioning process and is broken into 4 key sections:

1. Thinking Social – the pre procurement stage
2. Buying Social – the award criteria and evaluation
3. Managing Social – the contract management
4. Monitoring and Reporting Social – the monitoring arrangements

We will cover each of these areas in this session.

**SLIDE 3**

By the end of this session, you will be able to:

* Outline the social value approaches public bodies in Northern Ireland use in public tender competitions.
* Explain how public bodies in Northern Ireland score social value in public tender competitions in accordance with [Procurement Policy Note (PPN) 01/21 (Scoring Social Value Policy)](https://www.finance-ni.gov.uk/publications/ppn-0121-scoring-social-value).
* Detail how public bodies in Northern Ireland monitor and manage the delivery of social value requirements.

**SLIDE 4**

Here, Jayne Brady, Head of the Northern Ireland Civil Service explains the positive impact scoring social value in public procurement will have for people and communities in Northern Ireland.

“As Head of the Northern Ireland Civil Service, I am invested in transforming our services and for that reason I’m delighted that Procurement Policy Note - Scoring Social Value was approved by the Executive. We, the Northern Ireland Government, as well as being the largest employer in Northern Ireland, invest close to £3 billion each year in public sector contracts and this enables us to effect change.

To maximise this investment, from the 1st June 2022, the Northern Ireland Executive has committed to mandatory scoring of social value within public procurement contracts in services and in works.

Put simply, scoring social value introduces a new criterion asking suppliers to demonstrate how the award of that contract will benefit their community, the environment or society at large. The training you are about to complete will explain more about the concept of social value, how social value can be scored, evaluated and effectively contract managed.

This valuable policy will help us to harness the full potential of our spending. In doing so, we can change the course of people’s lives and benefit communities right across Northern Ireland.”

**SLIDE 5**

Public procurement is an important source of expenditure in Northern Ireland, with central and local government spending upwards of £3 billion annually on supplies, services and construction works. This expenditure offers tremendous potential to contribute to the economic, environmental and social outcomes contained in the Executive’s Programme for Government.

* Social value refers to the wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment.
* The social value derived from a public contract is the positive legacy created through its performance such as a more diverse workforce, fewer single use plastics in the environment and more cohesive communities.

Think about when you buy a takeaway hot drink from a café. More and more of us are now conscious to bring a reusable cup with us. In doing so, we are saving money, reducing waste and reducing carbon emissions – that is Social Value.

Many of us are already making purchasing decisions in a way that delivers social value, and now it is time to bring this mindset into the workplace and harness the potential of Northern Ireland’s spending power.

**SLIDE 6**

By including social value in procurement, Contracting Authorities and Suppliers can:

* Create job opportunities for people who face barriers to work
* Invest in skills
* Support Social Enterprises and new businesses
* Support Voluntary and Community organisations
* Reduce poverty
* Promote equality and diversity
* Reduce our carbon footprint
* Improve mental health and wellbeing

**SLIDE 7**

As set out in PPN 01/21:

* From 1st June 2022, tenders must allocate **a minimum of 10%** of the total award criteria to social value.
* This 10% minimum will apply to contracts for **services and works** above the threshold where the Procurement Regulations apply. It is not currently mandatory to score social value in supplies contracts though some Departments may opt to do this.
* Where appropriate, public bodies can also:
  + score for social value on contracts outside of these thresholds and/or
  + give greater weight to social value than the 10% minimum.
* The policy will be **reviewed ahead of 2023** with a view to increasing the % of the total award criteria to 20% for social value.

**SLIDE 8**

PPN 01/21 provides a framework of themes and indicators which are linked to the Programme for Government outcomes. A common framework enables suppliers to develop a shared understanding of the social value requirements of public contracts and how they will be scored.

There are 4 themes:

* Increasing secure employment and skills
* Building ethical and resilient supply chains
* Delivering zero carbon and
* Promoting wellbeing

Each theme is broken down into a set of indicators.

Contracting Authorities may select indicators from one or multiple themes for inclusion in the social value requirements of the contract, in order to reflect the Authority’s strategic priorities.

**SLIDE 9**

Each theme aims to address risks and maximise opportunities to deliver social value in relation to the area in question, so:

* Increasing secure employment and skills aims to create employment and training opportunities for those who are disadvantaged in the labour market, contribute to in-work progression and skills development, create opportunities for entrepreneurs and support economic growth.
* Building ethical and resilient supply chains aims to tackle employment inequality, reduce the risk of modern slavery and human rights abuses within the supply chain, and promote diverse and secure supply chains.

**SLIDE 10**

* Delivering zero carbon aims to promote environmental benefits, influence environmental protection and improvement and work towards net zero greenhouse gas emissions
* Promoting wellbeing aims to improve the health and wellbeing of the contract workforce, tackle employment inequality, contribute to in-work progression and skills development, and improve community integration.

**SLIDE 11**

Each theme is broken down into a set of indicators.

Contracting Authorities may select indicators from one or multiple themes for inclusion in the social value requirements of the contract, in order the Authority’s strategic priorities.

Here we have the 4 indicators that relate to the building ethical and resilient supply chains theme:

2.1 Demonstrate action to promote collaboration and a fair and responsible approach to working throughout the supply chain

2.2 Demonstrate action to promote ethical supply chains and practices; and, identify and manage risks of modern slavery and human rights abuses in the delivery of the contract, including in the supply chain.

2.3 Maximise security of supply, for example by minimising proximity of supply chains to point of delivery

2.4 Create a diverse supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, SMEs and VCSEs.

You can download a list of the themes and indicators from the Supplier Resources section of the Social Value Unit website.

**SLIDE 12**

PPN 01/21 recommends that Contracting Authorities Think Social, that is consider how social value will be included in contracts, at the earliest possible stage.

**SLIDE 13**

PPN 01/21 recommends that Contracting Authorities consult with communities affected by the procurement and with potential suppliers to identify the most feasible and beneficial way to promote social value.

Pre-procurement engagement can help Contracting Authorities identify opportunities to maximise social value outcomes for each procurement competition.

Suppliers should attend supplier engagement events and respond to pre-procurement engagement questions.

You can communicate and highlight:

* the market capacity and capabilities
* the social value themes and indicators you think are relevant and achievable for the contract
* how the market could enhance and maximise opportunities to add social value

By contributing to a Contracting Authority’s pre-procurement engagement, Suppliers can provide feedback on how social value can be maximised, which can lead to:

* more innovative social value initiatives; and
* better social value outcomes.

**SLIDE 14**

Contracting Authorities will score for social value based on the 4 themes. A common framework enables contracting authorities and suppliers to develop a shared understanding of what social value requirements will be taken into account and how they will be scored.

Contracting Authorities have the option of giving different weight to different model criteria and requiring a minimum score for the social value award criteria.

**SLIDE 15**

The social value model sets out two options for scoring social value depending on the size and nature of the contract:

* social value points; and,
* an alternative to using social value points.

Both approaches are based on the 4 social value themes and both evaluate Tenderers’ qualitative responses to the award criterion. Therefore the response is evaluated based on a methodology setting out how the tenderer will deliver the required social value against the particular themes/indicators set out.

We will look at the social value points approach first.

**SLIDE 16**

The social value points approach is the default position for all Services and IT contracts with a value of over £250,000 per annum.

Using social value points ensures that social value outcomes are delivering in a measureable, proportionate and flexible way.

Social value points tenders are assessed and given a score based on the tenderer’s methodology for delivering the minimum social value points for that contract.

**SLIDE 17**

When a tender uses the social value points approach:

* the Supplier is required to deliver **a minimum of 100 social value points per £1m** of contract value (and pro-rata).
* The points are **capped at an averaged contract value of £3m per annum**. This may be increased on a contract by contract basis.
* The Contracting Authority **selects the Social Value Theme(s)/Indicator(s)** which are relevant to the contract.
* Each Social Value Indicator from PPN 01/21 is broken down into subsequent initiatives. **Each initiative has been allocated a number of social value points**.
* The Supplier will have **flexibility to choose** which of those initiatives they deliver.

**SLIDE 18**

In this example, the Contracting Authority has selected Indicator 1.2 from the secure employment and skills theme. You can see the Indicator on the left hand side, which is then broken down into 4 initiatives:

* Work placements
* Skills development and educational attainment (for services contracts)
* Digital skills development and educational attainment (for IT contracts) and
* In-work progression and skills development

The Supplier has flexibility to choose which social value initiatives they deliver against from the Contracting Authority’s selected list, giving them the benefit of aligning the requirements of the Contracting Authority with their own business models or solutions.

In the procurement documents, the Contracting Authority will set out an indicative minimum number of points that the Supplier is required to deliver based on the estimated contract value at the time of procurement. For example, if this was for a £1m contract the minimum number of social value points required would be 100. A tenderer may choose to deliver those 100 points through 20 weeks of work placements, or 80 hours of skills development and educational attainment, or a combination of both perhaps.

The Contracting Authority may set minimum mandatory targets for specific social value indicators within the Social Value Schedule, which the Supplier must deliver as part of the overall social value requirements on the Contract. For example, they could stipulate that 20% of the social value points must be delivered through work placements.

**SLIDE 19**

When responding to a tender that uses social value points, tenderers will be required to submit two things. The first is a Social Value Delivery Plan setting out how they will deliver the specified minimum number of points and the second is a written methodology detailing how they will action the initiatives they have set out in the delivery plan.

Tenderers do not have to deliver against every social value initiative selected by the Contracting Authority and included in the Social Value Delivery Plan. The tenderer must ensure that the initiatives they do plan to action deliver will the minimum number of social value points. In this example, you can see the tenderer is going to deliver 832 weeks of paid employment, 400 hours of digital skills development and an in-work progression and skills development strategy with annual updates. They do not intend to deliver work placements or include a social enterprise in the supply chain. The minimum indicative number of points will be proportionate to the contract value.

When you are completing the Social Value delivery plan, here is what you need to complete.

\*change screens to excel\*

As you can see, there are three tabs:

* Declaration – where the tenderer inputs the contact details and confirms that the plan sets out the actions that will be undertaken to ensure the achievement of the social value requirements of the contract.
* Social Value Initiatives – which the Contracting Authority will have edited to represent the themes and indicators that have been selected to be included in the contract, and the associated number of points for each social value initiative. Tenderers do not need to input anything on this tab, it is for their information only.
* Delivery Plan – On this tab, the Contracting Authority will have entered the value and duration of the contract, which will calculate the minimum number of social value points that are required to be delivered on this contract. The tenderer then fills in the Planned Delivery column to demonstrate how the social value requirement will be delivered. As you input data into this column, the Total Social Value Points which will be delivered by this plan will update. You should ensure that the initiatives you select meet the minimum number of social value points which are required to be delivered.

Once complete, the tenderer submits the Social Value Delivery Plan with the tender.

\*change screens to powerpoint\*

**SLIDE 20**

So the Social Value Delivery Plan we have just looked at is part one of the tenderer’s response and the methodology is the second required component. Through the methodology, the tenderer details how they will deliver the initiatives they have set out in the delivery plan.  The methodology will evaluate a number of areas, for example:

* timescales for delivery of the social considerations requirements;
* the resources, both internal and external, that the tenderer will use to plan and deliver the social considerations;
* the activities the tenderer will undertake to deliver the social considerations selected within the completed Social Value Delivery Plan including how they will engage with key stakeholders (e.g. social value beneficiaries, organisations within the voluntary, community and social enterprise sector);
* confirmation that the planned activities are additional to activities the tenderer already undertakes; and,
* how the tenderer will monitor and report on the delivery of the social value requirements and address any performance issues.

Suppliers should check the invitation to tender carefully as this list is for guidance only.

**SLIDE 21**

The benefits of the social value points approach are that:

* the qualitative assessment does not disadvantage VCSEs and microbusinesses
* it ensures proportionality as targets are based on invoiced value
* it offers flexibility for the Supplier
* Progress is reported via the online Social Value monitoring system, making it easy to monitor for both supplier and contracting authority
* It requires quantifiable social value outcomes which supports effective contract management

**SLIDE 22**

As mentioned earlier, the social value model sets out two options for scoring social value depending on the size and nature of the contract:

* The social value points approach; and,
* an alternative to using social value points.

We will now look at the alternative approach.

The alternative approach does not focus on social value points. Instead, the contracting authority selects the relevant social value theme(s) and appropriate indicator(s). The Contracting Authority will include an evaluation question focussed on achieving the indicator(s) under the selected theme(s).

The alternative approach may be used when:

* The contract is below £250,000 per annum per supplier
* The contract is high value but over a short duration, e.g., 6 months.
* There is an overriding social value theme/indicator that the Contracting Authority wish to address.

**SLIDE 23**

The evaluation panel will assess and give a score based on how well the bidder’s tenderer’s methodology addresses the selected Social Value Theme(s) and Indicator(s).

A minimum weighting of 10% of the overall award criteria will be applied (this will be subject to review from June 2023). **Suppliers should check the invitation to tender carefully to determine the weighting allocated to social value.**

**SLIDE 24**

Here’s an example of a contract using the alternative approach to scoring social value.

You are bidding for an advertising service contract for Department of Justice.

The value of the contract is £500,000 and it will last for 5 years. The contract will be awarded to a single supplier. The alternative approach has been selected because the value of the contract is less than £250k per annum.

The Contracting Authority has selected:

* Theme 1: Increasing Secure Employment and Skills and Indicator and
* Indicator 1.1: Create employment, re-training and other return to work opportunities for those furthest from the labour market

Indicator 1.1 will be included in the award criteria along with examples of initiatives that relate to indicator 1.1, which are set out on the next slide.

**SLIDE 25**

Social value initiatives related to this indicator may include:

* Paid employment opportunities for those who face barriers to employment and/or are from deprived areas
* Apprenticeship opportunities
* Work experience placements for those who face barriers to employment and/or are from deprived areas
* Training/support and guidance in place for work experience placement participants, including progression support
* Support related to skills and educational development designed to encourage people to enter or re-enter employment and training
* Initiatives which encourage people who face barriers to employment/or are from deprived areas to apply for employment opportunities on the contract

To be clear - these are example of possible initiatives that relate to indicator 1.1 – a tenderer does not need to provide all the initiatives. They are provided for supplier guidance only to help tenderers respond to the evaluation question which asks how they will address the selected Social Value Indicator(s) and Theme(s).

**SLIDE 26**

In their methodology response, tenderers may be asked to set out:

* The activities you will undertake and metrics for each activity;
* Timescales for delivery of the social value requirements;
* The resources, both internal and external, that you will use to plan and deliver the social considerations (this should include details of suppliers in your supply chain);
* How you will engage with key stakeholders (including communities impacted through the delivery of the contract);
* Confirmation that the planned activities are additional to activities your organisation already undertakes;
* How you will monitor and report on the delivery of the social value requirements and address any performance issues.

Suppliers should check the specific invitation to tender carefully as this list is for guidance only.

**SLIDE 27**

Now that we have looked at the award criteria, we will look at how tenderer’s responses are evaluated.

**SLIDE 28**

Panel members assess and score the quality of the social value response at evaluation stage, in the same way as they would do for any other evaluation criteria designed to assess quality.

Tenderers’ submit:

* A Written methodology response which details how the tenderer will address all the requirements of the social value award criteria; and,
* If the contract uses the social value points approach, they also submit a Social value delivery plan. The Social Value Delivery Plan allows the tenderer to set out the initiatives they plan to deliver and demonstrate how they will meet the points target.

The panel member uses a scoring matrix to score the quality of the response. The matrix is included in the contract’s invitation to tender.

**SLIDE 29**

Here are some tips that can help you demonstrate social value:

Understand what is required of you: Check your response is in the correct format (as set out on the procurement documentation) and familiarise yourself with the award criteria and the relevant schedule.

It is important not to presume you know what the Contracting Authority wants to hear. Instead, digest the demands of the question and respond accordingly.

Focus on the evaluation criteria as you complete the tender documentation. If you do not provide enough evidence for each criterion then you will not score well in that question.

Do your research: Many public sector organisations publish business or strategic plans setting out their specific social, economic and environmental agenda. These documents may be referenced to as part of the tender or may be available on the public sector body website.

You can access a range of useful resources on the Social Value Unit’s website. It may also be helpful to consult the Find a Broker section of the website database which provides details onorganisations who may be able to work together with you to help you deliver social value.

It’s important to do your reading and ensure you demonstrate that you understand the Contracting Authority’s specific priorities and how you will contribute to them in your response.

Be specific: Don’t be vague. Make tangible commitments and include precise objectives and targets of what you will do, how much you will do, over what time period and how you will measure and report achievement. Include details of internal resources and external partnerships you will use to deliver the requirements and how you will manage delivery of the social value requirements.

Be relevant: Do not use stock answers. Make sure your response is specific to the subject matter of the contract and the buying organisation’s priorities. Any benefits identified as social value in tenders or contracts must be over and above the core deliverables of the tender or the contract.

Ensure additionality: The social value that you attribute to each contract needs to be generated by that contract. Ensure that your social value initiatives are relevant to the Contract only. Do not submit general Corporate Social Responsibility policies.

Be realistic: Only make commitments that you can deliver. Suppliers will be required to adhere to the commitments they make. Social Value offers will be built into the contract of the successful bidder and poor performance will be managed in line with Procurement Guidance Note 01/12: Contract Management Principles and Procedures.

**SLIDE 30**

Good contract management ensures that all parties fully meet the requirements specified in the terms and conditions of the contract, including in relation to social value.

**SLIDE 31**

Social Value will be managed in the same way as any other aspect of the contract. Social value requirements must be delivered in line with contractual commitments, and they must provide value for money.

Contracting Authorities and Suppliers could face contractual and budgetary issues as well as reputational damage, if the social value requirements of a contract are not delivered.

Reputational damage can have long lasting effects on the supplier.

**SLIDE 32**

If the tender has used **the alternative approach**, the supplier must provide the client with progress reports as set out in the contract conditions.

If the tender has used the **social value points model,** the supplier will use the social value monitoring system which we will look at now.

**SLIDE 33**

The Social Value monitoring system is a web-based system.

When a contract is awarded, Suppliers will:

* Receive login details and guidance on how to add information relating to the delivery of their targets;
* Receive a reminder to update the report (however, suppliers can log in at any time);
* Record their progress to date against each indicator - There is a notes section which Suppliers should use to record any efforts that they have made to fulfil their targets;
* Be emailed a report at regular intervals, along with the Client Project Manager. This report should be regularly reviewed during progress meetings to ensure the Supplier is on track to deliver their targets.

**SLIDE 34**

In summary:

* A **minimum of 10% of total award criteria will be allocated to social value** in all IT and Services contracts above the threshold where the Procurement Regulations apply.
* Suppliers should attend any supplier engagement events and respond to **pre-procurement engagement** questions.
* The social value approaches are based on the **4 social value themes**
* The social value approaches **evaluate tenderers’ qualitative responses** to the award criterion.
* **Monitoring progress** of a contract helps to keep to agreed targets and ensure value for money.

**SLIDE 35**

You can download a written version of the guidance provided in this session from the Suppliers section of the Social Value Unit website, where you will also find other relevant resources.